

RESOLUTION NO.

#74
6-8-06

WHEREAS, the City Council approved by Resolution No. 20050428-043 creation of the Community Preservation and Revitalization Zone (CP&R Zone) program as an economic development program under authority of Texas Local Government Code Chapter 380; and

WHEREAS, a Small Business Assistance Fund was established as an element of the CP&R economic development program, with directions to initiate a public process to determine eligibility criteria and identify types of activities to be funded by the Small Business Assistance Fund; and

WHEREAS, in accordance with council directive staff is preparing Small Business Assistance Fund Program Guidelines (guidelines) for the CP&R Zone; and

WHEREAS, the Council desires that the guidelines include certain requirements for business entities eligibility in order to receive assistance under the program; **NOW THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

- (1) The above recitals are adopted as findings.
- (2) The city manager is directed to return to Council with program guidelines for the use of and administration of the Small Business Assistance Fund, including a small business loan program, and to include in the guidelines at a minimum the following requirements for the program:

- (a) require that loan applicants provide matching funds for investment in the business, on a one-to-one ratio to funds loaned to the business under the program;
 - (b) require that each loan under the program be fully repaid;
 - (c) require that the interest rate on loans be based on the ability of the business to repay the loan, and be between 3 percent and 6 percent a year; and
 - (d) limit the maximum loan amount under the program to:
 - i. \$10,000 for a participating business which has been operating and located in the CP&R Zone for at least 5 years but less than 10 years; and
 - ii. \$20,000 for a participating business which has been operating and located in the CP&R Zone for at least 10 years.
- (3) The city manager is directed to deposit all repayments from loans made under the program into the Small Business Assistance Fund, to create a revolving loan fund.

ADOPTED: _____, 2006

ATTEST: _____

Shirley A. Gentry
City Clerk